

TORONTO STOCK EXCHANGE

FILING STATEMENT No. 518.
ACCEPTED FOR FILING, NOVEMBER 25th, 1960.

SPARTAN AIR SERVICES LIMITED

Full corporate name of Company

Incorporated under Part I of The Companies Act (Canada) by Letters Patent dated August 30th, 1946
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous
Filing Statement No. 449.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

| | |
|--|--|
| 1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed. | <p>1. Change of Control 2. Financial Reorganization 3. Increase of Capital 4. Issuance of Shares for debt 5. Underwriting Agreement</p> <p>For details see Schedule "A" on page 2.</p> |
| 2. Head office address and any other office address. | 2117 Carling Avenue, Ottawa 3, Ontario. |
| 3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors. | <p>William P. McGill, 1060 Argyle Drive, Oakville, Consulting Geologist, President and Director. John A. Roberts, 1880 Barnhart Place, Ottawa, Technical Director, Vice-President and Director. Bruce E. McGill, 92 Chaplin Crescent, Toronto, Accountant, Secretary-Treasurer and Director. B. B. Green, 453 Briar Avenue, Ottawa, Manager, Dominion Building Materials Limited, Director. Dr. George Shaw, 2117 Carling Avenue, Ottawa, Geologist, Director. F. C. McConnell, 530A 6th Avenue S. W., Calgary, Geologist, Director.</p> |
| 4. Share capitalization showing authorized and issued and outstanding capital. | Authorized: 1350 Class A 6% Preferred par value \$100.00, and 750,000 common without par value. issued: 1350 Preferred and 645,015 common. |
| 5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding. | <p>The Industrial Development Bank holds two chattel mortgages and a debenture under which the company has mortgaged its aircraft and equipment (both presently owned and hereafter acquired) and subjected all its other property to a first floating charge in favour of The Industrial Development Bank. The present indebtedness to the Industrial Development Bank is \$344,792.12 which bears interest at 6½%. Payments of \$18,750.00 for principal, plus interest, are due quarterly on the 23rd day of February, May, August and November each year until the date of maturity, which is February 23rd, 1965.</p> <p>There are also outstanding Series A 6% Sinking Fund Debentures in the face value of \$648,000 secured by a floating charge on all the property and assets of the company, which charge ranks after the charge to The Industrial Development Bank. The Debentures mature December 1st, 1969, and require sinking fund payments of \$72,000.00 to be made on December 1st each year. Interest is payable half yearly on the first days of June and December each year.</p> |
| 6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement. | <p>It is proposed that E. H. Pooler & Co. Ltd., 302 Bay Street, Toronto, will firmly purchase 300,000 common shares at the price of \$1.00 per share, effective forthwith upon the issuance of Supplementary Letters Patent increasing the authorized capital of the company (the effective date). Payment was made November 4th, 1960, to the company of the sum of \$300,000.00 presently standing on the books of the company by way of loan. The underwritten shares will be offered to the public by way of primary distribution under a Prospectus filed under the provisions of The Securities Act (Ontario).</p> |
| 7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof. | <p>The Underwriter is acting on behalf of Maris Investments Limited, Suite 103, 160 Bay Street, Toronto. The only persons owning a greater than 5% interest in Maris are Earl A. Glick, 45 Avenal Drive, Toronto, William P. McGill, 1083 Argyle Crescent, Oakville and John A. Roberts, 1880 Barnhart Place, Ottawa.</p> |
| 8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition. | None |
| 9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any. | <p>The Company proposes to carry on its ordinary business and to complete all existing contracts. Of the \$300,000 paid to the Company as advance payment for shares to be underwritten, \$90,000.00 has been used to secure a sinking fund payment due December 1st, 1960, respecting Series A Debentures, \$24,580.00 has been used to pay to the Industrial Development Bank certain arrears of interest and the principal payment due November 23rd, 1960; and \$25,420.00 will be used to pay certain trade creditors. The balance will be used for general corporate purposes.</p> |

DEC 7 1960

SCHEDULE A

1. Change of Control:

By an Agreement dated October 31st, 1960, The Bristol Aeroplane Company of Canada (hereinafter referred to as "Bristol") transferred 300,000 common shares of Spartan Air Services Limited (hereinafter referred to as "Spartan") to William P. McGill, 1060 Argyle Drive, Oakville, and John A. Roberts, 1880 Barnhart Place, Ottawa, and also transferred to them \$400,000.00 of the debt owing by Spartan to Bristol. The consideration for same was the sum of \$1.00, the Agreement of the purchasers to assume management of Spartan and the Agreement of the purchasers to save Bristol harmless from claims under a certain Performance Bond in the amount of \$206,000.00. Under the Agreement, nominees of the purchasers now hold a majority of seats on the Board of Directors of Spartan.

2. Financial Reorganization:

Under the change of control Agreement, Bristol has written off all debts owing to it and its associated companies except the said \$400,000.00, has agreed to assume and pay all other trade accounts of Spartan as at October 31st, 1960, save the \$25,420.00 referred to in item 9 of this Filing Statement and save the creditors dealt with in the proposal of November 19th, 1959 (see Filing Statement no. 449), and has agreed to pay off all existing loans from the Bank of Montreal in the amount of approximately \$1,240,000.00. Spartan has transferred to the Bank all accounts receivable as at October 31st, 1960, and 354,784 shares of TransAir Limited. Spartan has already paid the sums set out in item 9 of this Filing Statement to the Industrial Development Bank and to the trustee for the Debenture holders.

3. Increase of Capital:

Subject to the approval of the shareholders of Spartan at a Special General Meeting to be called for that purpose following acceptance of this Filing Statement, and after due notice to warrant holders, Spartan proposes to increase its authorized common shares to 2,000,000 shares without par value ranking on a parity with the existing shares.

4. Issuance of Shares for Debt:

Forthwith upon the said increase of capital taking effect, 300,000 common shares will be issued in full settlement of the \$400,000.00 debt, which shares will be placed in escrow subject to release only on the consent of the Toronto Stock Exchange.

5. Underwriting Agreement:

Forthwith upon the said increase of capital taking effect, 300,000 common shares of Spartan will be issued to the Underwriter under the Agreement described in item 6 of this Filing Statement. The funds for the underwriting were provided to Earl A. Glick by Bristol as a gift without obligation for re-payment in any way and Glick has made the said funds available to Maris for the underwriting. The underwritten shares will be offered to the public under a Prospectus in accordance with The Securities Act (Ontario). When primary distribution of same has taken place, Spartan will apply to have same listed. The Prospectus will be submitted to the Toronto Stock Exchange for acceptance and no offering of the underwritten shares will be made until same has been accepted.

SCHEDULE B.

1. The approval of the Air Transport Board to the change of control has been obtained.

2. In acquiring the 300,000 common shares and \$400,000.00 debt from Bristol, the purchasers were acting on behalf of Maris Investments Limited. All proceeds from the sale of the said 300,000 shares, less only Toronto Stock Exchange commission and transfer tax will be paid to the company as a donation by Maris Investments Limited.

3. The rights of warrant holders and of certain creditors dealt with under the proposal of November 19th, 1959, have not been affected in any way. There are no arrears of payments to the Industrial Development Bank or to the Trustee for debenture holders.

4. No shares of the control block of 300,000 shares may be sold for a price in excess of \$1.00 per share. Copies of this Filing Statement will be mailed to all shareholders of Spartan.

5. The 300,000 shares acquired from Bristol will be offered through the facilities of the Toronto Stock Exchange and since they are derived from the holders of former management, could be considered to be in primary distribution. The shares issued in settlement of the debt and issued under the Underwriting Agreement will be offered to the public by way of primary distribution under a Prospectus filed under the provisions of The Securities Act (Ontario), and such distribution will not take place through the facilities of the Toronto Stock Exchange.

6. This statement is filed pursuant to the rules and regulations of the Toronto Stock Exchange in respect of the matters referred to in item 1 of this Filing Statement, which Spartan understands to be classed as "material changes". There are no other material facts relevant to the affairs of Spartan.

FINANCIAL STATEMENTS

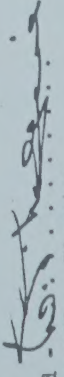
SPARTON AIR SERVICES LIMITED AND SUBSIDIARIES

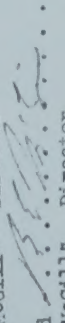
CONSOLIDATED BALANCE SHEET

AS AT OCTOBER 31, 1960

| ASSETS | | LIABILITIES | |
|---|-------------|---|-------------|
| Current assets: | | Current liabilities: | |
| Cash | \$ 434,288 | Accounts payable under proposal (note 1) | \$ 43,103 |
| Accounts receivable: | 16,715 | Bank overdraft | 984,998 |
| Trade, less allowance for doubtful debts | 33,005 | Accounts payable and accrued charges | 108,164 |
| Contract deposits | 33,382 | Taxes payable | 2,179 |
| Recoverable disbursements | | Accounts payable re lien purchases | 31,901 |
| Miscellaneous | | Debtore sinking fund payment due within year (note 2) | 72,000 |
| Unbilled photography and survey work at amounts subsequently invoiced | | I.D.B. loan payable within year, plus accrued interest (note 3) | 80,830 |
| Inventories at cost: | | Accrued interest on debentures | 18,000 |
| Components and spare parts | \$ 402,766 | Contract advance | 120,131 |
| Work in progress | 20,530 | Total current liabilities | \$1,521,366 |
| Gasoline caches, containers, etc. | 40,040 | | |
| Prepaid expenses | | Non-current liabilities: | |
| Total current assets | \$ 463,936 | Owing to Bristol Companies | \$ 670,189 |
| | 33,709 | Accounts payable re lien purchases | 15,426 |
| Investments - at cost | | Deferred bank loan | 250,000 |
| (no quoted market value) | | Deferred accounts payable | 107,205 |
| Fixed assets - at cost: | \$1,272,682 | | |
| Aircraft and aerial cameras | 90,119 | Long-term debt: | |
| Other equipment | | o 1/2% Industrial Development bank loan | \$ 465,063 |
| Building on leasehold land | | Less: In current liabilities | 80,830 |
| Improvements to leased premises | | 6% sinking fund debentures | \$ 384,233 |
| | | | 648,000 |
| | \$2,597,830 | | 1,032,233 |
| | 1,370,984 | | \$3,600,419 |
| | \$1,226,846 | | |
| | 48,284 | | |
| | 1,275,130 | | |
| | | SHAREHOLDERS' EQUITY | |
| | | Capital stock: | |
| | | 6% cumulative redeemable Class "A" preferred | \$ 135,000 |
| | | authorized and issued: 1,350 shares of \$100 par value | |
| | | 6% cumulative redeemable Class "B" preferred | |
| | | authorized: 8,500 of \$100 par value | |
| | | issued and redeemed 457 shares | |
| | | No par value common shares | |
| | | authorized: 750,000; issued 642,085 | 1,039,333 |
| | | Deficit | \$1,174,333 |
| | | | 2,136,821 |
| | | | (962,488) |
| | | | \$2,637,931 |

See accompanying notes to financial statements.

Signed  Director

Signed  Director

SPARTAN AIR SERVICES LIMITED
AND SUBSIDIARIES

Notes forming part of and attached
to the Balance Sheet for the year
ending October 31, 1960.

Note 1

Under a proposal to creditors dated November 19, 1959, the unsecured creditors agreed to reduce their claims by 75% and to accept payment of the balance of their debts at the rate of 20% per annum on February 1st in each of the years 1960 to 1964 inclusive. The February 1, 1960 payment has been made and the February 1, 1961 payment of \$43,103. is included in current liabilities leaving a balance in the non-current liabilities of \$105,205.

Note 2

The present requirement of the sinking fund relating to the Series "A" debentures require annual payment to the trustee of \$72,000. in December 1, 1960 through to December 1, 1969. The first instalment has been included in current liabilities leaving a principal balance owing of \$648,000.

Note 3

The Industrial Development Bank loan requires consecutive quarterly instalments of \$18,750. each plus interest at 6½%, falling due on the 23rd day of February, May, August and November of each year.

SPARTAN AIR SERVICES LIMITED AND SUBSIDIARIES

Consolidated Statement of Deficit

Year Ended October 31st, 1960

| | |
|------------------------------|------------|
| Deficit at beginning of year | \$ 435,950 |
|------------------------------|------------|

Add:

| | |
|---|--------|
| Additional creditors proved since October 31st, 1959 | 42,628 |
|---|--------|

| | |
|-------------------|--------------|
| Net loss for year | \$ 1,659,642 |
|-------------------|--------------|

| | |
|--|---------------------|
| | <u>\$ 2,138,220</u> |
|--|---------------------|

Less:

| | |
|---|--------------|
| Recovery on investment in subsidiary company | <u>1,399</u> |
|---|--------------|

| | |
|------------------------|----------------------------|
| Deficit at end of year | <u><u>\$ 2,136,821</u></u> |
|------------------------|----------------------------|

Signed:..W.P. McGill..........Director

Signed:..B.E. McGill..........Director

SPARTAN AIR SERVICES LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

YEAR ENDING OCTOBER 31ST, 1960

Loss before taking into account the
undernoted items \$ 1,245,012.

Add:

| | |
|---|-----------------|
| Depreciation and amortization of fixed assets | 284,278. |
| Interest on long term debt | 73,780. |
| Legal Fees | 18,226. |
| Remuneration of executive officers | 24,584. |
| | <u>400,868.</u> |

Loss on operations \$ 1,645,880.

Add:

| | |
|-------------------------------------|----------------------|
| Losses on disposals of fixed assets | 47,997. |
| | <u>\$ 1,693,877.</u> |

Deduct:

| | |
|--------------------------------------|---------|
| Profits on disposals of fixed assets | 34,235. |
|--------------------------------------|---------|

Net loss for year \$ 1,659,642.

Signed- W.P. McGill.....Director

Signed- B.E. McGill.....Director

SPARTAN AIR SERVICES LIMITED

Statement of Source and Application of Funds
for the period November 1, 1959 to October 31, 1960Source of Funds

| | | |
|---|----------------|---------------------|
| Net Loss for the period | | \$ (1,659,642) |
| Charges against loss not requiring an outlay of cash: Depreciation | | <u>284,278</u> |
| | | \$ (1,375,364) |
| Cash and services provided by Bristol | \$ 676,189 | |
| Issue of Common Shares | 300,000 | |
| Loan from I.D.B.- additional | 42,830 | |
| Recovery of investment in Subsidiaries | 1,399 | |
| Disposal of fixed assets | <u>119,594</u> | \$ 1,140,012 |
| | | <u>\$ (235,352)</u> |

Application of Funds

| | | |
|---|---------------|------------|
| Purchase of fixed assets | \$ 101,898 | |
| Transfer of instalments due on long term liabilities | 191,452 | |
| Repayment of I.D.B. Loan | <u>43,183</u> | \$ 336,533 |

Decrease in Working Capital
explained as follows-

| Current Assets | Nov. 1/59 | Oct. 31/60 | Increase/ (Decrease) |
|---------------------|---------------|---------------|-------------------------|
| Cash | \$ 3,834 | \$ 14,889 | \$ 11,055 |
| Accounts Receivable | 761,421 | 517,390 | (244,031) |
| Inventories | 675,975 | 701,694 | 25,719 |
| Prepaid Expenses | <u>54,166</u> | <u>38,709</u> | <u>(15,457)</u> |
| | \$ 1,495,396 | \$ 1,272,682 | \$ (222,714) |

Current Liabilities

| | | | |
|-----------------------------------|----------------|----------------|---------------|
| Bank Advances | \$ 601,716 | \$ 984,998 | \$ 383,282 |
| Accounts Payable | 470,100 | 351,577 | (118,523) |
| Payment due on long term debts | <u>100,379</u> | <u>184,791</u> | <u>84,412</u> |
| | \$ 1,172,195 | \$ 1,521,366 | \$ 349,171 |

| | | | |
|-----------------|------------|--------------|--------------|
| Working Capital | \$ 323,201 | \$ (248,684) | \$ (571,885) |
|-----------------|------------|--------------|--------------|

Signed- W.P. McGill.....Director

Signed- B.E. McGill.....Director

**SPARTAN AIR SERVICES LIMITED
AND SUBSIDIARIES**

CONSOLIDATED PRO FORMA BALANCE SHEET

AS AT NOVEMBER 1, 1960

(See Accompanying Notes)

Assets

Current

| | | |
|--|-------------------|---------------------|
| Cash on hand and in bank | | \$ 160,000. |
| Inventories - components, spares, etc. | \$ 402,766. | |
| - gasoline caches, etc. | <u>40,640.</u> | 443,406. |
| Prepaid expenses | | <u>38,709.</u> |
| | | \$ 642,115. |
| Investments - at cost | | 1,423. |
| Fixed assets - at cost | \$2,646,114. | |
| Less: Res. for depreciation | <u>1,370,984.</u> | <u>\$1,275,130.</u> |
| | | <u>\$1,918,668.</u> |

Liabilities

Current

| | | |
|--|----------------|--|
| Instalment due under proposal to unsecured creditors | \$ 43,103. | |
| Due on lien contracts | 31,961. | |
| Industrial Bank Loan instalments due within year | <u>56,250.</u> | |
| | \$ 131,314. | |

Non-current

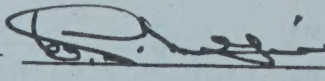
| | | |
|---------------------------------------|--------------------|---------------------|
| Accounts payable re. lien contracts | <u>\$ 15,426..</u> | |
| Owing under proposal to creditors | \$148,308. | |
| Less: included in current liabilities | <u>43,103.</u> | |
| | <u>\$105,205..</u> | |
| Industrial Development Bank loan | \$344,792. | |
| Less: Included in current liabilities | <u>56,250.</u> | |
| | <u>\$288,542.</u> | |
| Sinking fund debentures | <u>648,000.</u> | <u>\$1,057,173.</u> |
| | | \$1,188,487. |

Other

| | | |
|--|-----------------|----------|
| Note payable - convertible only to common shares | \$ 400,000. | |
| Deposit re. subscription to common shares | <u>300,000.</u> | 700,000. |

Capital

| | | |
|--|---------------------|---------------------|
| Preferred shares - 1,350 shares of \$100 | \$ 135,000. | |
| Common - 642,085 N.P.V. | <u>1,039,333.</u> | |
| | <u>\$1,174,333.</u> | |
| Deficit | <u>1,144,152.</u> | <u>30,181.</u> |
| | | <u>\$1,918,668.</u> |

Signed: W. P. McGill  Director

Signed: B. E. McGill  Director

SPARTAN AIR SERVICES LIMITED

Notes forming part of and attached to Pro Forma Balance Sheet as at November 1, 1960.

The attached Pro Forma Balance Sheet has been prepared after giving effect to the following:

1. The assumption of the bank indebtedness by Bristol and the transfer of the security held in connection therewith - namely,
 - (a) Accounts receivable.
 - (b) Unbilled work and work in process.
 - (c) 354,784 shares Transair Limited, Class "B".
2. The provision of \$300,000. to Spartan by the underwriters, under the following terms and conditions:
 - (1) That the underwriters will subscribe for 300,000 common shares of Spartan for the aggregate consideration of \$300,000. with payment in advance;
 - (2) That the \$300,000. so subscribed to Spartan will be used as follows:

| | |
|--|-------------------|
| (a) Provision of general working capital | \$160,000. |
| (b) Payment to Trustee for Bondholders | 72,000. |
| (c) Payment of bond interest to Oct.31/1960 | 18,000. |
| (d) Payment to I.D.B. of quarterly instalment due November 23, 1960. | 18,750. |
| (e) Payment of I.D.B. interest to Oct.31/1960 | 5,000. |
| (f) Payment to current trade creditors | 26,250. |
| | <u>\$300,000.</u> |
3. Payment of current trade creditors (other than those as provided for in (2) above) by Bristol.
4. Any additional payments of principal and interest required by I.D.B. to place loan on current basis will be provided by Bristol.
5. The write-off of advances and amounts due to Bristol, other than the amount of \$400,000. which is transferred to the purchasers and is to be satisfied by the issue and allotment of 300,000 shares as fully paid.
6. The shares in (2) and (5) above will be issued forthwith upon approved increase in capitalization from 750,000 to 2,000,000 common shares taking effect.

Signed: 

Director

Signed: 

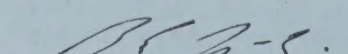
Director

WE, the undersigned, being two directors of SPARTAN AIR SERVICES LIMITED hereby certify that to the best of our knowledge, information and belief, there have been no material changes in the financial affairs of Spartan Air Services Limited since October 31st, 1960, the date of the Projected and Pro Forma Balance Sheets accompanying this Filing Statement. The figures on the said Projected and Pro Forma Balance Sheets are approximations and disclose the true state of the financial affairs of the Company.

DATED this 7th day of November, 1960.



"W.P. McGill" Director



"B.E. McGill" Director

| 10. Brief statement of company's chief development work during past year. | Varian Magnetometer | | | | | | | | | | | | | | | | | | |
|--|--|------------|--------------|------------|-------------------------------|------|--------|-------------------------------------|------|---|---------------------------|-----|--------|------------------------------------|------|--------|-------------------------------------|--|---------|
| 11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid. | Not applicable | | | | | | | | | | | | | | | | | | |
| 12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company. | Not applicable | | | | | | | | | | | | | | | | | | |
| 13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement. | None | | | | | | | | | | | | | | | | | | |
| 14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.) | Not applicable | | | | | | | | | | | | | | | | | | |
| 15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state. | Annett Partners Limited, 220 Bay Street, Toronto, 39,740 shares. E. H. Pooler & Co. Ltd., 302 Bay Street, Toronto, 304,995 shares. Gairdner & Company Ltd., 320 Bay Street, Toronto, 33,818 shares. Greenshields & Co., P. O. Box 810, Montreal, 12,762 shares. Roytor & Co., No. 1 account, c/o Royal Bank of Canada, King and Yonge Streets, Toronto, 18,265 shares. 300,000 of the shares registered in the name of E. H. Pooler & Co. Ltd. are beneficially owned by William P. McGill and John A. Roberts. The signatories hereto are not aware of the beneficial ownership of the other shares set out above. | | | | | | | | | | | | | | | | | | |
| 16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company. | J. A. Roberts, 1880 Barnhart Place, Ottawa, W. P. McGill, 1060 Argyle Drive, Oakville and Earl A. Glick, 45 Avenal Drive, are the only persons who could materially affect control of the Company. | | | | | | | | | | | | | | | | | | |
| 17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value. | <table><thead><tr><th></th><th>Shareholding</th><th>Book Value</th></tr></thead><tbody><tr><td>Aerophysics of Canada Limited</td><td>100%</td><td>\$1.00</td></tr><tr><td>Spartan Air Services (Eastern) Ltd.</td><td>100%</td><td>-</td></tr><tr><td>Orbitron Development Ltd.</td><td>51%</td><td>\$1.00</td></tr><tr><td>Spartan Air Services (Quebec) Ltd.</td><td>100%</td><td>\$1.00</td></tr><tr><td>Aero Service Corporation - 4 shares</td><td></td><td>\$29.00</td></tr></tbody></table> <p>Note: These investments are carried at \$1,000.00 on the accompanying pro forma Balance Sheet and have no market value.</p> | | Shareholding | Book Value | Aerophysics of Canada Limited | 100% | \$1.00 | Spartan Air Services (Eastern) Ltd. | 100% | - | Orbitron Development Ltd. | 51% | \$1.00 | Spartan Air Services (Quebec) Ltd. | 100% | \$1.00 | Aero Service Corporation - 4 shares | | \$29.00 |
| | Shareholding | Book Value | | | | | | | | | | | | | | | | | |
| Aerophysics of Canada Limited | 100% | \$1.00 | | | | | | | | | | | | | | | | | |
| Spartan Air Services (Eastern) Ltd. | 100% | - | | | | | | | | | | | | | | | | | |
| Orbitron Development Ltd. | 51% | \$1.00 | | | | | | | | | | | | | | | | | |
| Spartan Air Services (Quebec) Ltd. | 100% | \$1.00 | | | | | | | | | | | | | | | | | |
| Aero Service Corporation - 4 shares | | \$29.00 | | | | | | | | | | | | | | | | | |
| 18. Brief statement of any lawsuits pending or in process against company or its properties. | None | | | | | | | | | | | | | | | | | | |
| 19. Statement of any other material facts and if none, so state. | See Schedule "B" attached hereto on page 2. | | | | | | | | | | | | | | | | | | |

DATED November 7, 1960.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

SPARTAN AIR SERVICES LIMITED

"W.P. McGill"

"B.E. McGill"

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

E. H. POOLER & CO. LTD.

"E.H. Pooler"